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John J. Finnigan, Jr.
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VIA OVERNIGHT MAIL

December 27, 2005

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

DEC 28 2005

PUBLIC SERVICE
COMMISSION

Re: The Application of The Union Light, Heat and Power Company for a Certificate of Public Convenience and Necessity to Acquire Certain Generation Resources and Related Property; for Approval of Certain Purchase Power Agreements; for Approval of Certain Accounting Treatment; and for Approval of Deviation from Requirements of KRS 278.2207 and 278.2213(6), Case No. 2003-00252

Dear Ms. O'Donnell:

The Union Light, Heat and Power Company ("ULH&P") requests that the Commission schedule an informal conference on Tuesday, January 10, 2006 at 3:00 p.m. at the Commission's offices to discuss the following two matters. ULH&P has conferred with the Attorney General's office, and understands that the Attorney General's counsel is available to meet on this date.

First, the Commission (through its December 5, 2003 Order in this case and the Commission's June 1, 2001 Order in Case No. 2001-00058) has frozen through December 31, 2006 ULH&P's retail rates which recover wholesale generation and transmission costs. Under the former Order, ULH&P must file a new electric general base rate case with new rates effective January 1, 2007. Due to recent increases in energy costs, this could result in a significant increase in electric base rates in 2007. ULH&P would like to discuss at the informal conference the possibility of activating its fuel adjustment clause in 2006, and postponing its next electric base rate case. This could allow ULH&P to smooth out the impact of its new rates, and avoid a significant increase effective January 1, 2007.

Second, ULH&P made a compliance filing in this case on December 16, 2005, in which ULH&P reported on the status of various matters. ULH&P also requested approval for a deviation from Kentucky affiliate pricing laws for certain affiliate transactions, relating to fuel supply and operation of the generating stations. At the

informal conference ULH&P will address any questions concerning this compliance filing.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Finnigan, Jr.", written in a cursive style.

John J. Finnigan, Jr.
Senior Counsel

JJF/sew

cc: Hon. Richard G. Raff
Hon Dennis G. Howard, II
Hon. Elizabeth E. Blackford